

Message Text

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73

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-03 H-01 L-02 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 OPIC-03 /071 W

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R 271459Z FEB 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 1880

INFO AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY MADRID

USMISSION OECD PARIS

USMISSION NATO

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: ECON, ELAB, PO

SUBJ: NEGOTIATIONS CONTINUE IN TIMEX DISPUTE

REF: LISBON 1016

1. CONTACTED BY EMBASSY TO CONFIRM PRESS REPORT, TIMEX
OFFICIAL MR. FOOTE VERIFIED THAT NEGOTIATIONS AT LABOR MINISTRY
HAVE RESULTED IN ARRANGEMENT ALLOWING MANAGEMENT UNTIL MARCH 3
TO PRESENT COUNTER-PROPOSAL TO WORKER DEMANDS. WOKERS IN
TURN HAVE UNTIL MARCH 10 TO PRESENT THEIR RESPONSE. PLANT IS
CURRENTLY OPERATING NORMALLY.

2. COMPANY HAS THUS FAR AGREED TO INCREASING PAY FOR HOURLY
WAGE PERSONNEL. WORKER REPRESENTATIVES DID NOT ACCEPT COMPANY
SCHEME FOR RECLASSIFICATION OF SALARIED POSITIONS. MANAGEMENT
HAS ASKED THEM TO PROPOSE THEIR OWN ALTERNATIVE SCHEME, WHILE
LIMITING ATTENDANT RAISES TO AN AMOUNT WITH MANAGEMENT HAS
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SET ASIDE. THERE IS STILL DISAGREEMENT ON INCREASES FOR TOP

MANAGEMENT, AS WELL AS WHO WILL CONTROL DECISION-MAKING POWER ON SALARIES.

3. FOOTE SAID MANAGEMENT HAD BEEN WAGING UPHILL FIGHT AGAINST OPPOSITION OF BOTH WORKER AND LABOR MINISTRY REPRESENTATIVES UNTIL MONDAY AFTERNOON. AT THAT TIME, AFTER CONSULTING WITH U.S. PARENT COMPANY, MANAGEMENT ANNOUNCED IT WAS PREPARED TO CLOSE PLANT UNLESS SOLUTION REACHED. AFTER THAT, ATMOSPHERE IMPROVED CONSIDERABLY AND CURRENT ARRANGEMENT REACHED.

4. HOWEVER, SATISFACTORY OUTCOME STILL NOT CERTAIN. FOOTE SAID CURRENT RUMOR AROUND PLANT IS THAT WORKS COMMITTEE IS CONSIDERING PROPOSAL TO REQUEST GOVERNMENT TO ARREST TOP MANAGEMENT AND "HOLD THEM FOR 3 DAYS" ON IDEOLOGICAL CHARGES INCLUDING "ECONOMIC SABOTAGE." THERE HAS BEEN NO VERIFICATION OF THIS RUMOR.

5. TIMEX HAS STILL NOT REQUESTED ANY ASSISTANCE FROM EMBASSY. HOWEVER, WE ARE CONTINUING TO MONITOR SITUATION.
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Message Attributes

Automatic Decaptioning: X
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Disposition Authority: GolinoFR
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
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Margaret P. Grafeld
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